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TO RUEHC/SECSTATE WASHDC PRIORITY 5456
INFO RUEHBO/AMEMBASSY BOGOTA 6068
RUEHCV/AMEMBASSY CARACAS 2085
RUEHGT/AMEMBASSY GUATEMALA 0806
RUEHLP/AMEMBASSY LA PAZ OCT LIMA 1043
RUEHMU/AMEMBASSY MANAGUA 0468
RUEHME/AMEMBASSY MEXICO 1511
RUEHZP/AMEMBASSY PANAMA 0658
RUEHSJ/AMEMBASSY SAN JOSE 1314
RUEHTG/AMEMBASSY TEGUCIGALPA 0529
RUEHGL/AMCONSUL GUAYAQUIL 1280
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SIPDIS

SENSITIVE
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SUBJECT: ECUADOR PLANS TO INITIATE WTO CASE AGAINST EU
BANANA REGIME

¶1. (SBU) Summary. According to U/S for International Economic Policy Fernando Yepez, Ecuador plans to bring a WTO case against the EU banana import regime, and will be joined by Colombia, Panama, Nicaragua, and Honduras. Yepez asked whether the USG would be joining in the case, since it had been one of the original five plaintiffs in the initial WTO banana case against the EU. End Summary.

¶2. (SBU) In an October 6 meeting, Fernando Yepez, Under Secretary for International Economic Policy at the Ministry

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for Foreign Relations, told EconCouns that Ecuador has decided to go forward with a WTO case challenging the EU's current banana import regime. He said that Ecuador's Minister of Commerce, Tomas Peribonio, would be signing an agreement with a U.S.-based law firm during Peribonio's October 5-6 visit to Washington, and that roughly three weeks after signing the contract Ecuador would be looking to request consultations with the EU as the first step towards filing a WTO dispute.

¶3. (SBU) Yepez said that Colombia, Panama, Nicaragua, and Honduras have decided to join Ecuador, while Guatemala and Costa Rica were still holding out hope for mediation. However, Yepez said, with the Doha Round discussions on hold, the mediation efforts were not going anywhere, and Ecuador believes the only way to bring change to the EU's current banana regime is through a WTO dispute settlement case. Yepez added that he would join Minister Peribonio in a visit to Central America the week of October 16 to discuss the WTO case with interested Central American nations.

¶4. (SBU) Yepez then asked whether the U.S. would be joining the case, noting that U.S. was one of the five countries that successfully brought the initial WTO case against the EU. EconCouns said that he would pass on to Washington these latest developments and would advise Yepez if the USG reached any decision on whether to participate in the WTO case.

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